



Memorandum

To: Allison Paul, WHPA Online Permitting Working Group Co-Chair
From: Ellen Steiner, Nick McKay, WHPA Staff, Opinion Dynamics
Date: March 20, 2017
Re: Recommended Changes to the WHPA Online HVAC Permitting Contractor Survey

1. Introduction

Opinion Dynamics conducted four cognitive interviews with HVAC contractors to understand how respondents would react to, and understand, the questions in the WHPA contractor survey concerning online HVAC permitting systems. The results of the cognitive interviews indicated a number of potential changes to the survey that would increase survey clarity and increase the accuracy of the results of the full survey.

1.1 Recommended Changes to the Survey

Introduction

The respondents discussed their lack of awareness of a program (governmental or otherwise) that is currently evaluating the potential for implementing a statewide HVAC online permitting system (OPS); therefore, the respondents expressed confusion or uncertainty about what the OPS program, or this survey in general, was trying to accomplish. The respondents discussed their need to understand the ideas, goals, and potential benefits of the OPS. One respondent was confused about the purpose of the survey because they did not see how an OPS would be related to compliance.

The definition for HVAC changeout was not entirely clear to the respondents. One respondent stated that the terms “installation” and “retrofit” may be more appropriate because the term changeout is a generic industry term that is not sufficiently descriptive. Another respondent stated that they use the term changeout when they are replacing an HVAC system and that they use the term “new installation” when they are installing an HVAC system where one had not previously been installed. Another respondent discussed their preference for the terms “add-on” and “replacement.”

Question 1 – What is your market segment?

Response Options:

1. Residential
2. Nonresidential
3. Both

One respondent mentioned that the answer options could potentially be separated into more granular groups, such as residential, small commercial, light industrial, etc. if the purpose of the question is not to only identify if the respondent operates in the residential and/or non-residential markets.

Question 2 - Would the idea of using a standardized, online permitting system for HVAC changeouts in every jurisdiction across the State of California be appealing to you?

Response Options:

1. Yes
2. No

The respondents had difficulty answering this question because they felt as though they needed more information about the potential OPS for HVAC changeouts, and without being provided more details that would allow them to have a full understanding of how the system might work and may, or may not, benefit their business, they would not be able to provide an answer. One respondent mentioned that they would like to have the option of “maybe” or “possible consideration” and stated that they anticipate that other respondents would select the answer option of “No” because they would not fully commit to a system when there are so few details provided. One respondent stated that they would have preferred to have an option of “Possibly” and provided an opportunity to provide an open-end response to this question, because they had difficulty answering this question without a better understanding about what this system would look like.

The respondents discussed how a statewide OPS might work and how it might be appealing to them, but there was not a consensus on either topic. Two respondents stated that an OPS would allow a uniform permit application that would be the same for each jurisdiction. However, one respondent discussed how the OPS would have to be separated by municipality because there are too many variations between jurisdictional requirements and how the jurisdictions operate. Another respondent suggested that each jurisdiction could have different requirements in the standardized system, but the OPS could provide detailed instructions on the jurisdiction-specific requirements to make the application process easier. The respondents discussed multiple factors that would make an OPS appealing to them, such as: being available 24/7, allowing a faster response time from the building jurisdictions, faster approval notifications, a standardized or simplified application process, etc. The respondents also discussed factors that would make an OPS unappealing to them, such as making it more difficult or time consuming to pull permits.

One respondent mentioned the possibility of moving this question to the end of the survey, which would allow the respondents to think about what the OPS could potentially look like and then have the respondents describe some ideal characteristics of an OPS.

Question 3 - I would be most likely to use a permitting system in my day-to-day business... [on a scale of 1 (not likely) to 4 (very likely)]

One respondent stated that the question wording was somewhat convoluted, and suggested that the leading question be repeated for each answer option. This respondent also stated that they were comparing the favorability of the answer options to each other, so we should consider modifying the question to ask the respondents to rank the 4 different options. One respondent suggested adding an answer option of “We already do it that way” because it was difficult for them to rank the likelihood of using a particular permitting system when they already use that type of permitting system.

There was some confusion surrounding the difference between option A (using a computer) and option B (using a smartphone or tablet app). Respondents believed that the app option would be a desirable add-on option to a computer-based system, but the app option would not be desirable if they did not have the option to use a computer.

Question 4 - Have you ever used an online permitting system for an HVAC changeout?

Response options:

1. Yes, the system was completely online
2. Yes, but I had to physically go to the building department to complete the task
3. Yes, I've done both a. and b. above
4. No, I've never used an online system

One respondent discussed the likelihood that they will always have to have a building department jurisdiction inspector physically visit the project site, so a truly 100% online permitting process would not be possible. Another respondent stated that the phrase “100% online and partially online” was not clear at first, but they interpreted that phrase (from answer option C) as being related to both answer options A and B.

Question 5 - How was your experience in using online HVAC permitting systems?

Response options:

1. Easy
2. Difficult
3. I have not used an online permitting system

The respondents believed that the question was asking about the positive characteristics of the OPS that they have used, such as: ease of use, efficiency, and other factors concerning how the OPS benefited them. All respondents stated that they have had similar interactions and experiences, almost all of which were ultimately positive, with all of the OPS that they have used.

One respondent suggested that the answer options be modified to include a 1 to 7 rating scale of “very easy” to “very difficult”, and that the question wording should be modified to ask about the contractors’ “general experience with online systems” to capture the possibility of multiple, and differing, experiences with OPS.

Question 7 – Name of jurisdiction(s) that you found easy.

All respondents stated that all OPS that they use work well and are easy to use. One respondent mentioned that the question could ask them to rank the ease of use of OPS in the jurisdictions that they operate in.

Question 9 - If the online permitting fee was the same as the manual process of pulling a permit, would you be more likely or less likely to use the online system?

Response options:

1. More likely to use online
2. Less likely to use online

Respondents were unsure about the purpose of this question. Respondents believed that the question was designed to elicit a response about their price-sensitivity to the permitting process. One respondent suggested that the question be modified to ask “If an online permitting system were designed that met all of your needs, would you be willing to pay more, less, or about the same, as you would compared to the price of pulling the permit in person?” Another respondent suggested that the question ask the respondents to provide the actual price difference that they would be willing to pay to use an OPS.

One respondent mentioned that the response to this question could depend on where the respondents operate; a contractor will only be willing to pay a higher permitting fee to use OPS when it makes sense, and that is often related to geographical factors. This respondent believed that contractors would use an OPS when the jurisdiction is far away from their office, but local contractors would probably be less willing to pay more to use an OPS. Therefore, there should be an open-end component to this question that could assess why a respondent would be more, or less, price-sensitive.

Question 10 - Would you find it useful if the online permitting system had a function to report contractors who are not pulling permits?

Response options:

1. Absolutely
2. Yes, but only if I really knew that it would be enforced
3. Yes, but only if I could remain anonymous
4. Not at all

Two respondents initially indicated that they would provide an answer of “Absolutely” to this question, but when asked to elaborate on their answer they concluded that they would only find this function useful if certain conditions were met. One respondent discussed their concern that there would be liabilities associated with making a claim about a contractor not pulling permits. Additionally, this respondent stated that this was “a good idea on the surface, but you have to be careful when you are asking me to try to report people . . . it’s really not my job to be able to do that.” Additionally, this respondent said that this function should be left to the local building department jurisdictions and that “The emotional response is “Absolutely”, but I would not put that” due to the aforementioned issues with liability. This respondent suggested that an answer options be modified to read A. Yes; B. Possibly, but only if I knew it would be enforced; C. Possibly, but only if I could remain anonymous.

All respondents discussed negative experiences that they have had with trying to personally report improper permitting to their own local building jurisdictions or the CSLB. The respondents were told by the jurisdictions

that they generally do not actively enforce the permit regulations because a lack of enforcement abilities. This resulted in the respondents questioning who would act on these leads from the system. One respondent stated that there is no need for this kind of a system because the building departments would simply need to put forth more enforcement efforts, such as random site inspections, to remedy this issue. One respondent stated that there is basically no enforcement at this point, and going forward there would be no point to have this new feature if the enforcement activities in California did not change.

One respondent stated that this does not seem like a useful feature of an OPS, because it is not directly related to pulling a permit.

Question 11 - What barriers would prevent you from using an online permitting system?

Response options:

1. Expense
2. Learning curve to use the system
3. Security
4. Customer resistance to permitting
5. There aren't any barriers

None of the respondents agreed that any of the potential barriers would likely prevent them from using an OPS. All respondents currently utilize the available OPS of the jurisdictions that they operate in. One respondent discussed that the potential barrier answer option of "Customer resistance to permitting" is not inherent to OPS, but rather permitting in general.

Question 12 - Do you see any value in pulling permits for HVAC changeout? Why or why not?

The respondents did not know from what viewpoint the value in pulling permits for HVAC changeouts should be assessed. Respondents stated that they understood the value of pulling permits to the customers and society as a whole, with one respondent stating that "if you don't have permits then you don't have standards" and describing a scenario where a "contractor race to the bottom" could occur in terms of installation quality. The consensus was that there is really no benefit to contractors, and that the initial intended benefit was to protect homeowners to make sure that work was being done properly and safely. The respondents did not only consider the benefits of pulling a permit, but instead compared the benefits that are provided customers and the costs that are incurred by the customers and themselves (the contractors). One respondent said that the question was too broad to be able to adequately answer. This respondent also discussed their confusion about the term changeout, and how their answer would differ based on if the permit is being pulled for a new installation (at a site that had never had a system) or if it is being pulled for a replacement system.

Potential Questions Suggested by Respondents

One respondent stated that it would possibly be helpful if the survey ask how many jurisdictions the respondents pull permits from, as it could frame the responses for other questions, and that there may be a pattern between the number of jurisdictions that a contractor operates in, the number of permits that they pull, and as well as other responses. This same respondent also suggested adding an introductory question asking if the respondents perceive the current permitting process in the jurisdictions that they work in as problematic. The respondents' current feelings towards the permitting processes that they personally deal with will change how they perceive a potential statewide OPS. One respondent suggested adding a question at the end of the survey that would allow closing comments or feedback.